

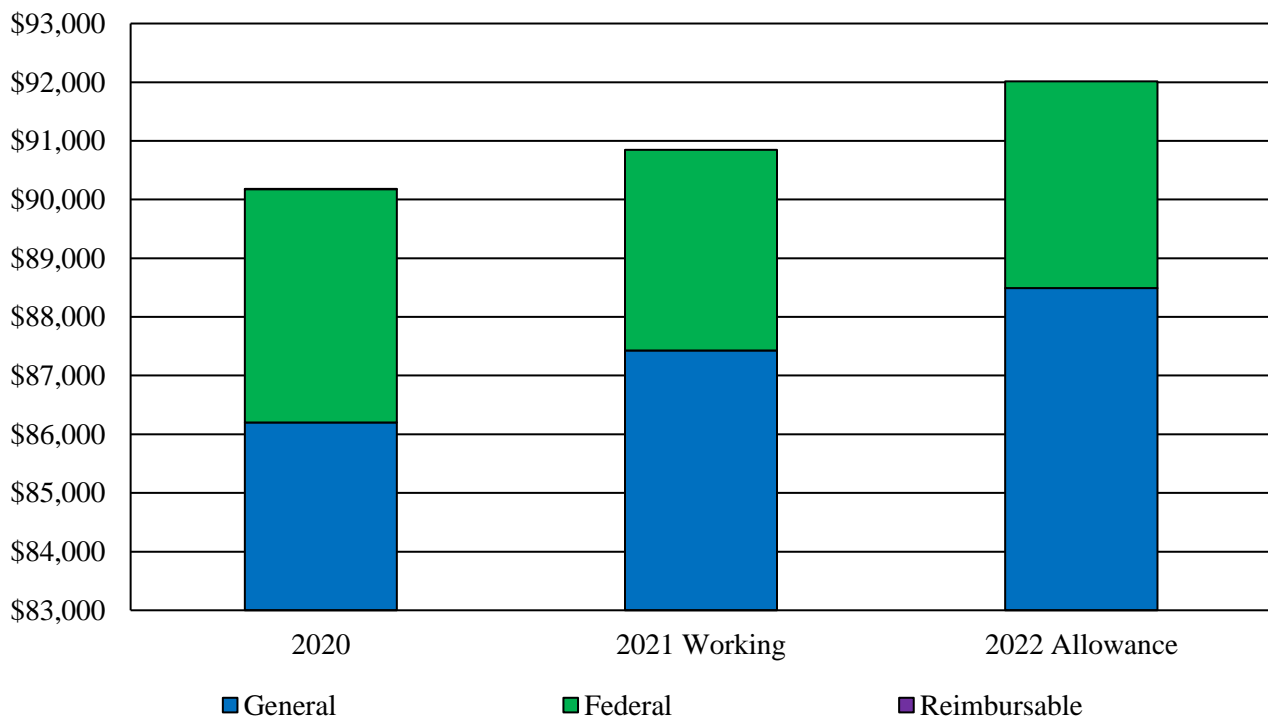
R11A Maryland State Library Agency

Program Description

The Maryland State Library Agency (MSLA) provides strategic leadership, resources, and programmatic support and administers State and federal funding for Maryland's libraries. Chapters 337 and 338 of 2017 established MSLA as an independent State agency. In addition to oversight of Maryland's 24 public library systems, MSLA also oversees the Maryland State Library for the Blind and Print Disabled (LBPD), the State Library Network, three regional library resource centers, and the Deaf Culture Digital Library. The agency is governed by the 12 member Maryland State Library Board.

Operating Budget Summary

Fiscal 2022 Budget Increases \$1.2 Million, or 1.3%, to \$92 Million (\$ in Thousands)



Note: The fiscal 2021 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2022 allowance includes contingent reductions, annual salary review increases, and annualization of general salary increases.

- Mandated funding for grant programs increases by \$1.2 million in fiscal 2022.

Fiscal 2020

The agency received a one-time grant of \$546,279 in fiscal 2020 of COVID-19 relief funding from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. These funds were awarded as grants to local public library systems through the agency's Public Library Aid grant program. Funds were used for expenses related to the COVID-19 pandemic, primarily for purchasing safety and protective equipment and technology used to provide internet access to Maryland residents.

Providing Internet access to Maryland residents who do not have access at home is an important service being provided by libraries during the pandemic. In-person computer access is not available to the public at library buildings that are currently closed, so libraries have taken steps to continue to allow Wi-Fi access. In the past year, libraries have expanded and enhanced free Wi-Fi, which can now be accessed outside of all library buildings, and Wi-Fi extenders have been installed on some building exteriors to extend the range of the building's network both when library buildings are open to the public and when they are not. Individual Wi-Fi hotspots were also purchased, with the assistance of federal CARES Act funding, which can be checked out by library patrons to take home and use to access the Internet. Over 602 Wi-Fi hotspots were circulated during fiscal 2020, with each hotspot circulating over 10 times during the fiscal year.

Fiscal 2021

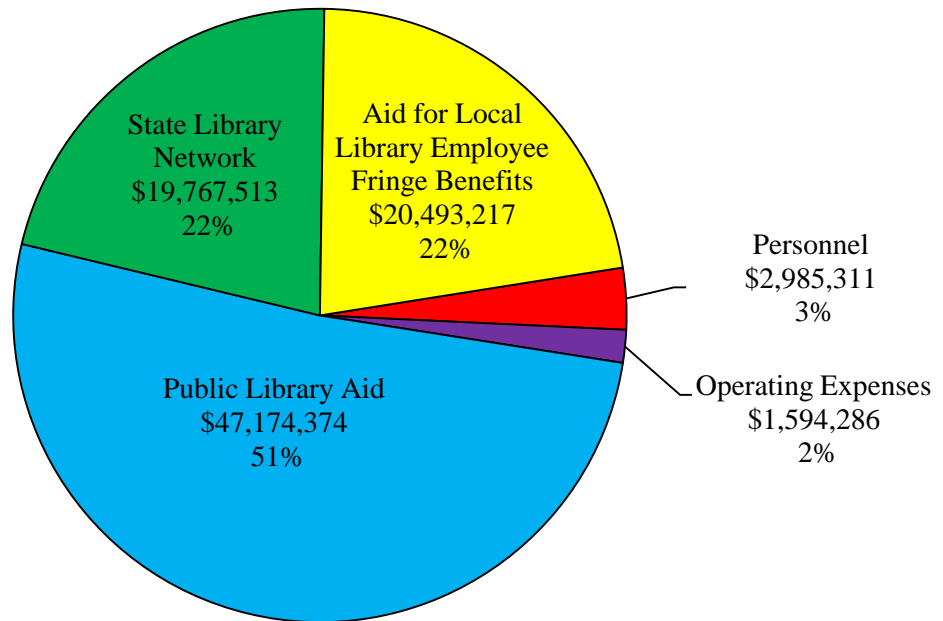
Cost Containment

At its July 1, 2020 meeting, the Board of Public Works approved a cut of \$4,293 in general funds and \$1,239 in federal funds. This cut reflects the agency's share of the statewide reduction to unemployment insurance.

Fiscal 2022 Overview of Agency Spending

As shown in **Exhibit 1**, the total adjusted fiscal 2022 allowance is \$92 million and consists primarily of mandated funding for the formula grant and aid programs provided by the State to support local public library operations. The largest of these grant programs, Public Library Aid, makes up 51% of the fiscal 2022 allowance at \$47,174,374. Aid for Local Library Employee Fringe Benefits, at 22% of the budget, or \$20,493,217, and the State Library Network, also 22% of the budget, or \$19,767,513, are the two other largest grant programs. Personnel expenses for the agency total \$2,985,311, or 3% of the budget, and operating expenses make up the remaining \$1,594,286, or 2%.

Exhibit 1
Overview of Agency Spending
Fiscal 2022 Allowance



Note: The fiscal 2022 allowance includes annual salary reviews and an annualization of general salary increases.

Source: Governor's Proposed Fiscal 2022 Budget

Proposed Budget Change

As shown in **Exhibit 2**, the total adjusted fiscal 2022 allowance increases by a total of \$1,169,000. Grant expenditures under the agency's mandated aid programs make up the majority of this increase. Grants to Public Library Aid increase by \$696,237 in part due to an increase in the per capita funding amount to \$16.70 in fiscal 2022. Grants to Aid for Local Library Employee Fringe Benefits and the State Library Network increase by \$248,034 and \$232,346, respectively. Agency personnel expenses increase by \$149,061, and other agency operating expenses decrease by \$156,415.

Exhibit 2
Proposed Budget
Maryland State Library Agency
(\$ in Thousands)

How Much It Grows:	General Fund	Federal Fund	Reimbursable Fund	Total
Fiscal 2020 Actual	\$86,203	\$3,972	\$4	\$90,179
Fiscal 2021 Working Appropriation	87,425	3,421	0	90,845
Fiscal 2022 Allowance	<u>88,489</u>	<u>3,525</u>	<u>0</u>	<u>92,015</u>
Fiscal 2021-2022 Amount Change	\$1,065	\$104	\$0	\$1,169
Fiscal 2021-2022 Percent Change	1.2%	3.0%		1.3%

Where It Goes:	Change
Personnel Expenses	
Regular salaries	\$90
Annualization of fiscal 2021 general salary increase	29
Employee retirement contributions	16
Other fringe benefit adjustments	16
Employee and retiree health insurance	10
Reclassification	-12
Other Changes	
Public Library Aid	696
Aid for Local Library Employee Fringe Benefits	248
State Library Network	232
Travel	-31
Other	-35
Office and data processing equipment	-39
Contractual services – Library for the Blind and Print Disabled	-51
Total	\$1,169

Note: Numbers may not sum to total due to rounding.

Personnel Data

	<u>FY 20</u> <u>Actual</u>	<u>FY 21</u> <u>Working</u>	<u>FY 22</u> <u>Allowance</u>	<u>FY 21-22</u> <u>Change</u>
Regular Positions	30.00	31.00	31.00	0.00
Contractual FTEs	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	31.00	31.00	31.00	0.00

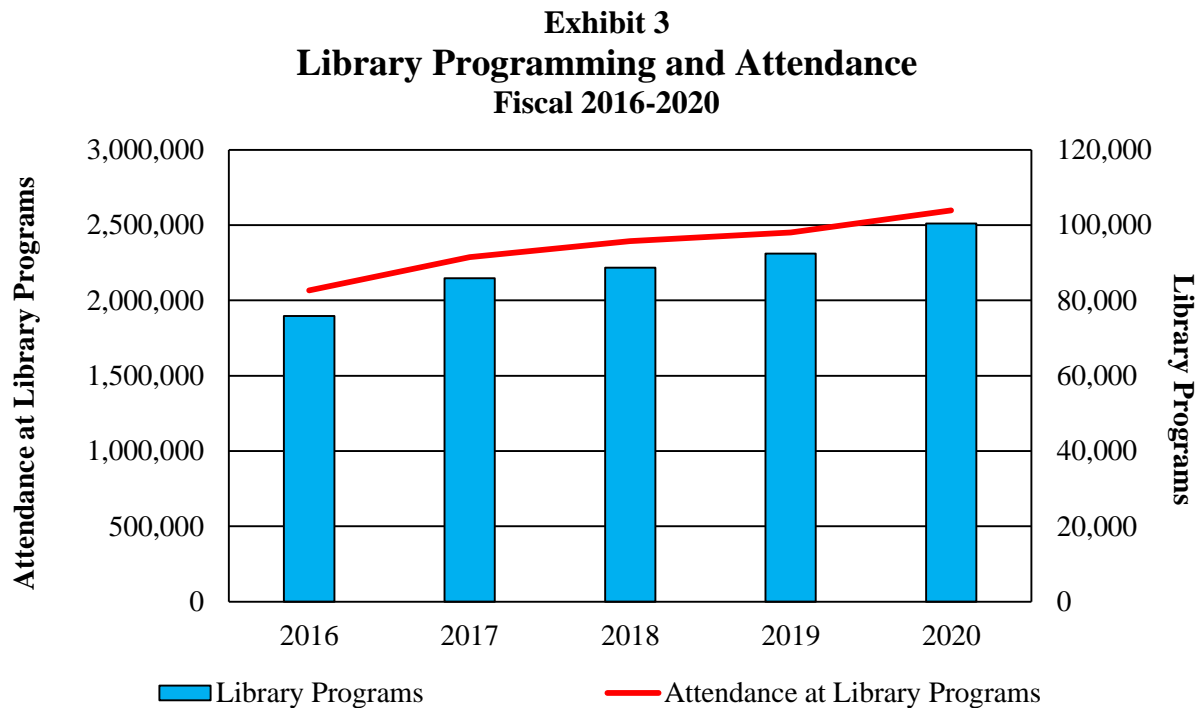
Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.73	5.58%
Positions and Percentage Vacant as of 12/31/20	1.00	3.23%
Vacancies Below Turnover	0.73	

Key Observations

1. Library Programming and Attendance

Exhibit 3 shows increases in the number of library programs held at Maryland public libraries and the attendance for this programming. Maryland libraries continue to expand their program offerings, following a national trend of increased demand for no-cost, engaging, educational programming that serves the needs of local communities. Attendance at library programs continues to increase, as libraries remain an important part of local communities and providers of essential services to the public. Statewide, Maryland libraries provided 100,403 programs in fiscal 2020 and saw a total attendance at these programs of 2,596,482.



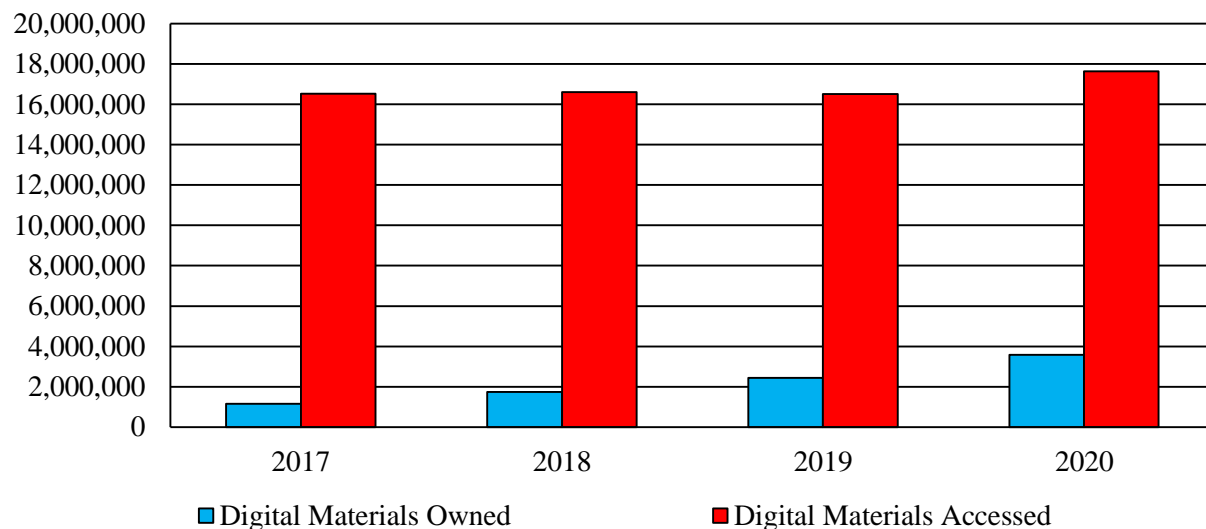
Source: Maryland State Library Agency

Due to the COVID-19 pandemic, library programming has shifted to being held entirely virtually. However, this has not necessarily had a negative impact on program participation. In fact, the agency had already begun to make preparations prior to the beginning of the pandemic for allowing electronic access to library programming as a way to increase public access. It is anticipated that after the pandemic ends, some degree of electronic access will continue to allow more members of the public to access library programming remotely as well as to facilitate collaboration and sharing of programming between libraries located in different geographic areas.

2. Digital Materials Owned and Accessed

The number of digital materials owned and accessed at Maryland libraries has grown significantly in recent years. Following a national trend, Maryland libraries have continued to enhance their digital collections as demand for these materials has continued to grow. As shown in **Exhibit 4**, the total number of digital materials owned by Maryland libraries increased by over 1 million items in fiscal 2020 to 3.6 million items. The number of digital materials accessed at Maryland libraries also grew in fiscal 2020, to 17.6 million items. Digital material access at Maryland libraries is expected to continue increasing in future years as demand continues to grow for these materials and as changes in the publishing industry and book sales further shift toward electronic access to materials.

Exhibit 4
Digital Materials Owned and Accessed
Fiscal 2017-2020



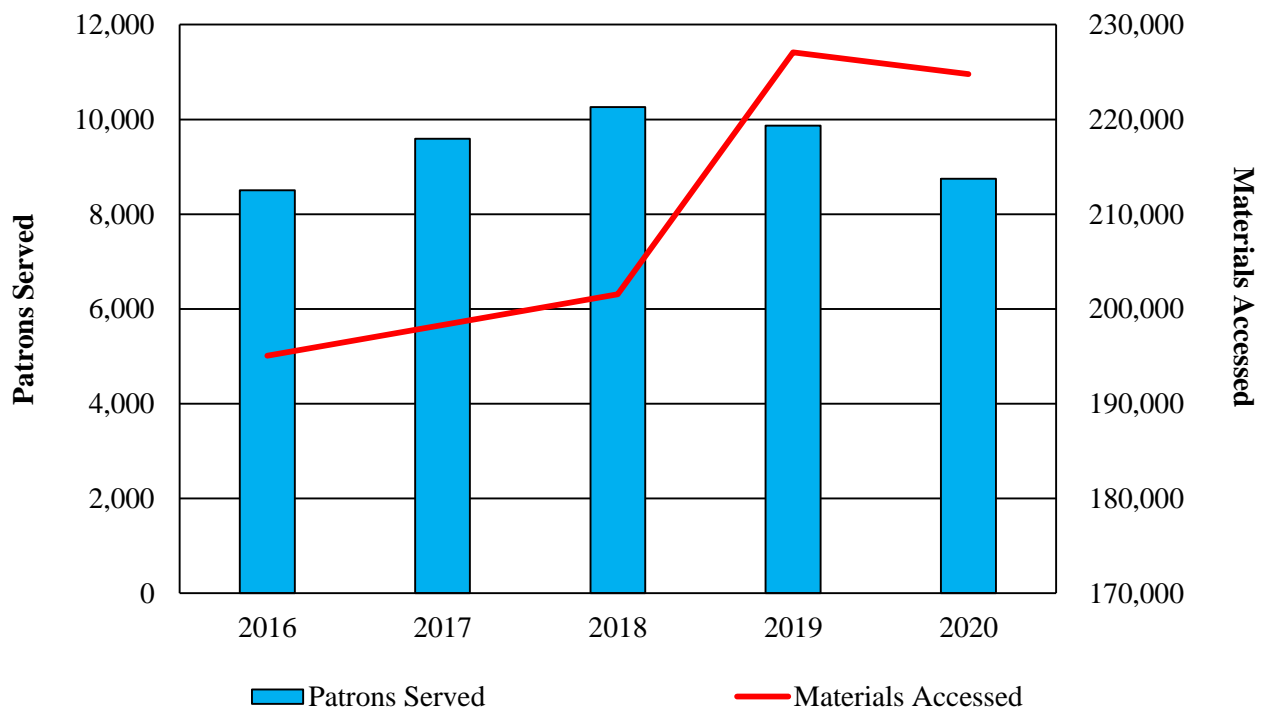
Source: Maryland State Library Agency

These trends were further accelerated in the later months of fiscal 2020 due to the COVID-19 pandemic. Due to the widespread closure of Maryland public library buildings, in-person browsing of physical materials has been limited during the past year, and patrons have had to largely shift to online browsing. Although many libraries have offered curbside pickup options for physical materials that can be checked out online, the increased use of electronic library materials, including e-books, audio recordings, video streaming services, and digital magazines, has further accelerated due to their accessibility. Additionally, restrictions on e-book purchases by public libraries previously implemented by publishing companies have been lifted, at least temporarily, due to the pandemic. This has allowed libraries the ability to purchase more electronic copies of new bestsellers and shortened the wait times for patrons to access them.

3. Library for the Blind and Print Disabled

LBPD is responsible for coordinating statewide library services for blind, visually impaired, physically disabled, and reading disabled Maryland residents and for institutions serving these individuals. **Exhibit 5** shows the number of materials accessed and the number of patrons served by LBPD, which both saw declines in fiscal 2020, in part due to the COVID-19 pandemic. Like most public library buildings, LBPD remains closed to the public. Since a large portion of the circulation of LBPD materials is already done through the mail, service to patrons utilizing this service has continued, with a total of 8,745 patrons served in fiscal 2020 and 224,794 materials accessed. However, unlike other metrics shown above, these numbers were lower than fiscal 2019.

Exhibit 5
Library for the Blind and Print Disabled
Patrons and Circulation
Fiscal 2016-2020



Source: Maryland State Library Agency

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
Object/Fund Difference Report
Maryland State Library Agency

<u>Object/Fund</u>	<u>FY 20 Actual</u>	<u>FY 21 Working Appropriation</u>	<u>FY 22 Allowance</u>	<u>FY 21 - FY 22 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	30.00	31.00	31.00	0.00	0%
02 Contractual	2.00	0.00	0.00	0.00	0.0%
Total Positions	32.00	31.00	31.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 2,761,492	\$ 2,813,982	\$ 2,930,879	\$ 116,897	4.2%
02 Technical and Spec. Fees	116,069	1,735	0	-1,735	-100.0%
03 Communication	21,296	16,949	26,560	9,611	56.7%
04 Travel	33,501	86,892	55,750	-31,142	-35.8%
06 Fuel and Utilities	104,402	125,000	108,000	-17,000	-13.6%
07 Motor Vehicles	17,420	17,000	36,240	19,240	113.2%
08 Contractual Services	666,021	856,278	805,651	-50,627	-5.9%
09 Supplies and Materials	167,442	124,079	148,767	24,688	19.9%
10 Equipment – Replacement	0	53,638	29,750	-23,888	-44.5%
11 Equipment – Additional	0	15,000	0	-15,000	-100.0%
12 Grants, Subsidies, and Contributions	86,235,702	86,567,219	87,670,104	1,102,885	1.3%
13 Fixed Charges	56,144	145,398	148,568	3,170	2.2%
Total Objects	\$ 90,179,489	\$ 90,823,170	\$ 91,960,269	\$ 1,137,099	1.3%
Funds					
01 General Fund	\$ 86,203,359	\$ 87,408,076	\$ 88,446,740	\$ 1,038,664	1.2%
05 Federal Fund	3,971,917	3,415,094	3,513,529	98,435	2.9%
09 Reimbursable Fund	4,213	0	0	0	0.0%
Total Funds	\$ 90,179,489	\$ 90,823,170	\$ 91,960,269	\$ 1,137,099	1.3%

Note: The fiscal 2021 appropriation does not include deficiencies, targeted reversions, general salary increases, or across-the-board reductions. The fiscal 2022 allowance does not include contingent reductions, annual salary reviews, or annualized general salary increases.